

Committee on Resources

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**Statement of William Rinne
Deputy Commissioner of Reclamation
U.S. Department of the Interior**

Before the
House Resources Committee
Subcommittee on Water and Power
On H.R. 4389
June 23, 2004

Mr. Chairman and Members of the Subcommittee, I am William Rinne, Deputy Commissioner of the Bureau of Reclamation. I am pleased to be here today to give the Department's views on H.R. 4389, to authorize the Secretary of the Interior to construct facilities to provide water for irrigation, municipal, domestic, military, and other uses from the Santa Margarita River, California, and for other purposes. It authorizes \$60,000,000 of Federal funding for construction of this project, as may be adjusted for engineering cost indices, conditioned upon the following:

1. The Fallbrook Public Utility District has entered into a repayment contract with the United States for its allocation of the construction costs, with interest, as applicable;
2. The State of California has granted permits to Reclamation for the benefit of the Department of the Navy and the District to use the water developed by the project;
3. The District has agreed not to assert any prior appropriative right the District may have to water in excess of the quantity deliverable to it under this Act; and
4. The Secretary of the Interior has determined that the project has engineering and economic feasibility.

The project would be located on the lower Santa Margarita River on Camp Joseph H. Pendleton, the Fallbrook Annex of the Naval Weapons Station, and surrounding lands within the service area of the District. The project, as proposed by the Act, would consist of features for the conjunctive use of ground and surface water, the yield of which would be allocated 60 percent to the Department of the Navy and 40 percent to the District.

Mr. Chairman, the Department supports the type of resourceful utilization of local supplies this bill calls for and the potential for reducing the use of imported supplies from the Colorado River and the Bay-Delta. However, we cannot support H.R. 4389 in its present form because we have reservations concerning the proposed financing mechanism, cost-share, and repayment terms for all of the project beneficiaries.

In addition, H.R. 4389 appears premature because it proposes construction of a conjunctive use project on the lower Santa Margarita River prior to the completion of feasibility, economic, and environmental analyses currently underway. Of particular concern to the Department in the context of ongoing studies is the impact of the project on the water rights of three Indian Tribes, the Pechanga, Cahuilla, and Ramona. These water rights, along with others are currently being adjudicated in a general stream adjudication of the Santa Margarita River in the case of United States v. Fallbrook Public Utility District, et al., Case No. 1247-SD-T (S.D. Cal.).

Finally, the Administration notes that the language in the bill related to interest is inconsistent with standard federal procedures for setting interest rates for water development projects. Such interest rates are set according to the Water Supply Act of 1958; bill language should reflect that process.

We look forward to working with the committee to accomplish the necessary changes required for the Department's support.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions.